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ABSTRACT

A total of 130 Minnesota employers who had participated in local welfare-to-work partnerships with social service agencies and other community members were interviewed by telephone for their views on welfare reform. (This nonrandom sample was selected by partnership staff.) Differences among rural and urban/suburban employers were examined, and welfare participant and employer views on service needs and barriers to self-sufficiency were compared. Very few differences emerged between urban/suburban and rural employers; however, urban/suburban businesses appeared to be more affected by the tight labor market and were thus more open to flexible hiring policies. Employers identified lack of "soft skills" (general social skills, calling in if one is going to be late or absent, staying on the job despite frustrations, etc.) as the primary barrier to work force participation, while welfare participants cited structural problems such as low wages and lack of education and child care as their primary obstacles to self-sufficiency. Employers considered involvement in partnerships valuable for recruiting employees and believed that partnerships played a role in supporting workers for improved training, retention, and work-life balance. The findings suggested that local partnerships between employers, government, and social service providers can help make welfare reform successful by helping at least some welfare recipients begin to work and become self-sufficient. (Contains 32 tables and 11 references.) (MN)

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ED 455 371

Whose job is it?

Employers' views on welfare reform

JCPR Working Paper 184

A paper presented at the Rural Dimensions of Welfare Reform Conference, Washington DC

Sponsored by the Joint Center for Poverty Research, Northwestern University/University of Chicago

E. Shelton

MAY 4-5, 2000

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Abstract

This paper describes selected results from qualitative telephone interviews with 130 Minnesota employers who participated in local welfare-to-work partnerships with social service agencies and other community members. Differences among rural and urban/suburban employers are examined and comparisons are explored between welfare participant and employer views on service needs and barriers to self-sufficiency.

Very few differences emerged between urban/suburban and rural employers, although urban/suburban businesses appeared to be more affected by the tight labor market and thus more open to flexible hiring policies. Employers identified lack of "soft skills" as the primary barrier to workforce participation, while welfare participants themselves cited structural problems such as low wages and lack of education and child care as their primary obstacles to self-sufficiency. Employers reported that involvement in the local partnerships was valuable for recruiting employees, and that such partnerships had a role to play supporting workers for improved training, retention, and work/life balance.

These findings suggest that local partnerships between employers, government, and social service providers can help make welfare reform successful by helping at least some welfare recipients begin to work and become self-sufficient. These ends can best be met if all the partners agree on clear and consistent goals that include genuine efforts to understand and meet employers' needs, and if social service providers are prepared to commit to on-going support services for welfare recipients after they are hired.

Introduction

Welfare reform in Minnesota

When Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, ending the entitlements of AFDC, Minnesota enacted the Minnesota Family Investment Program (MFIP) as its state Temporary Assistance for Needy Families (TANF) program. MFIP was intended to meet two goals: to reduce the number of people on welfare, and to help families move out of and remain out of poverty.

At the time of the transition from AFDC to MFIP Minnesota had roughly 50,000 persons receiving welfare benefits. Over half of these recipients (60%) lived in the urban and suburban counties of the Twin Cities metropolitan area, while 30 percent lived in rural counties and 10 percent lived in outstate counties with small cities (Minnesota Department of Human Services, 1998).[1] Welfare rolls in all areas of the state reflect recent in-migration of several non-English speaking groups, including Hmong, Somali, Russian, and Bosnian, as well as other immigrants. In 1997, just prior to the transition, Minnesota's unemployment rate was 3.3 percent. Like many other areas of the country, Minnesota was benefiting from a positive employment outlook. By 1999, the state's unemployment rate had dropped to 2.8 percent and Minnesota was one of many states showing significant economic growth. During this same period Minnesota's Department of Economic Security was adding to the number of Workforce Centers available throughout the state. These centers served as the principal agency for helping unemployed persons find jobs.

The Minnesota Department of Human Services administers MFIP through county governments, all of which employ financial workers to administer welfare benefits and refer individual participants to job counselors. Key features of MFIP include:

- People receiving assistance are required to work or participate in certified work activities with support from job counselors.
- Quick job placement with job supports and training is emphasized. There is a one-year limit on most welfare-supported post-secondary education. The program gives some flexibility to design employment and training services.
- Working families can keep some public assistance as an income supplement. Eligibility ends when their income is approximately 20 percent above the poverty level for their family size.
- Two-parent families must have both parents participating in Employment Services activities immediately upon enrollment in MFIP. For single-parent families, most counties allow four months before this must occur.
- Parents who do not work or follow through with program requirements on schedule have their cash assistance reduced in the first month of sanction by 10 percent, then by 30 percent in subsequent months. Those facing the 30 percent sanction have their rent paid directly to their landlord.
- People exempt from work requirements include caregivers who are age 60 or older, ill or incapacitated, caring for an infant or a family member with a disability, following a domestic violence plan, or experiencing a crisis. Parents can use a lifetime total exemption of 12 months to care for children under age one.

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[1] Twin Cities urban/suburban area includes Hennepin, Ramsey, Anoka, and Dakota counties. Outstate counties with small cities include Clay (Moorhead), Olmsted (Rochester), St. Louis (Duluth), and Stearns counties (St. Cloud).

- Food Stamp benefits are merged with the MFIP cash grant and are referred to as the "food portion." Once earned income reaches a certain level, participants can receive an MFIP "food portion only."[2]
- There is a 60-month lifetime limit on cash assistance for eligible adults. The lifetime limit can be extended under certain circumstances. Months in which eligible adults are receiving only the MFIP food portion are not counted towards the limit.
- MFIP participants who have started working may be eligible for child care assistance. The size of the co-payment depends on income. In the first year after leaving MFIP participants may qualify for Transition Year Child Care Assistance. After the first year, they may qualify for child care subsidies through the state's Basic Sliding Fee Program, although they may be put on a waiting list.
- Families leaving MFIP may be eligible for extended Medical Assistance (MA) coverage for one year. During the second year after leaving MFIP, families may still be eligible for MA or may apply for MinnesotaCare, sliding-scale health coverage for low-income families.

The McKnight Foundation's welfare-to-work initiative

Minnesota's largest private philanthropy, The McKnight Foundation, was interested in helping families make a successful transition from the old welfare system to the new one. The Foundation also wanted to help social service providers and others in the community to serve these families. McKnight was particularly concerned about potential gaps in service delivery and eager to learn the best ways to fill them. To achieve these goals, The McKnight Foundation provided $20,000,000 to 22 community partnerships serving MFIP families in 86 of Minnesota's 87 counties (see Figure 1). The majority of these partnerships were formed outside of Metropolitan areas. Funding for most partnerships began about the same time MFIP took effect, January 1998, and was initially for a two year grant period. The average grant size for each partnership was $785,700.

Partnerships were encouraged to experiment with programs to accommodate the specific needs and services in their area. However, each partnership was expected to develop programs that at minimum would address transportation, child care, and employment needs of MFIP families. Each partnership brought together a variety of organizations, often including county MFIP caseworkers and directors, government or non-profit employment services providers, social service agencies, educational institutions, employers, faith based groups, and other community members.

From their inception, the McKnight funded partnerships were expected to involve employers. Employers had a vital resource to offer – jobs – that match the needs of welfare recipients, and the partnerships in turn had a resource – potential members of the workforce – which many employers needed.

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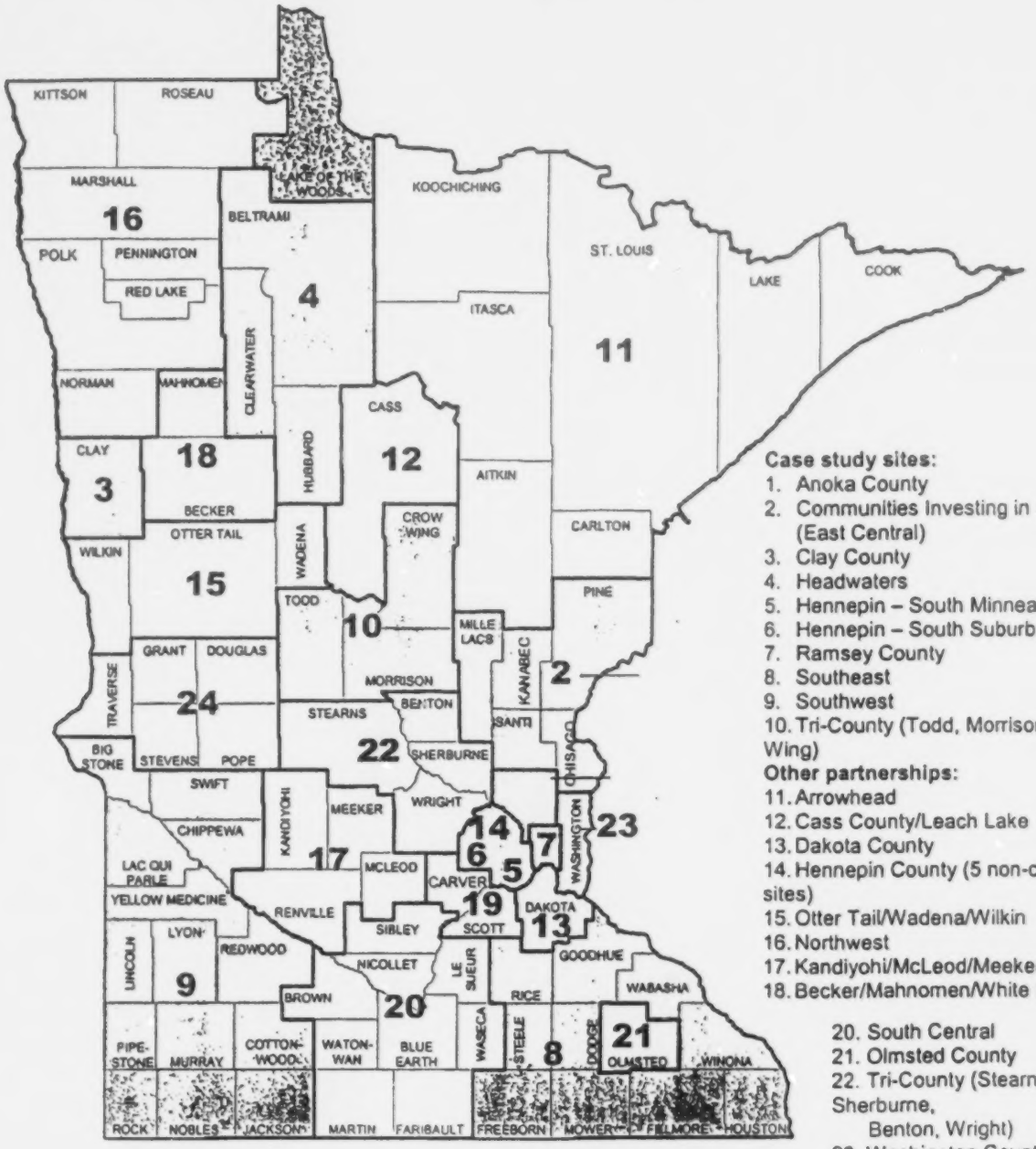
[2] In order to decrease fragmentation, Minnesota received a waiver from the USDA to merge these programs. In December 1999, 7.2% of MFIP cases were "food portion only" (Minnesota Department of Human Services, 1999).

1. MCKNIGHT WELFARE-TO-WORK PARTNERSHIP SITES



Case study sites:

1. Anoka County
2. Communities Investing in Families (East Central)
3. Clay County
4. Headwaters
5. Hennepin – South Minneapolis
6. Hennepin – South Suburban
7. Ramsey County
8. Southeast
9. Southwest
10. Tri-County (Todd, Morrison, Crow Wing)

Other partnerships:

11. Arrowhead
12. Cass County/Leach Lake
13. Dakota County
14. Hennepin County (5 non-case study sites)
15. Otter Tail/Wadena/Wilkin
16. Northwest
17. Kandiyohi/McLeod/Meeker/Renville
18. Becker/Mahnomen/White Earth
20. South Central
21. Olmsted County
22. Tri-County (Stearns, Sherburne, Benton, Wright)
23. Washington County

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Study Approach

The McKnight Foundation contracted with Wilder Research Center to examine the effectiveness of funded partnerships in strengthening Minnesota's success in meeting the state's two goals of reducing welfare use and poverty by increasing employment and self-sufficiency.

Because each partnership was free to design its own approach within the relatively wide parameters laid out by McKnight, it was not possible to employ a controlled study design. Instead, the study sought, through three separate methods, to describe the work of these partnerships. The first method involved case studies of 10 of the 22 partnerships. The 10 sites were selected by the senior program officers of The McKnight Foundation to emphasize maximum variation in approach. The research team conducted a series of telephone and in-person interviews with partnership personnel in each of the 10 sites, including site visits in the first year and again near the conclusion of the first funding cycle. The primary objective of the case study approach was to document as clearly and carefully as possible the specific activities of the 10 partnerships and the tangible results of each partnership's two year period of service delivery.

The second approach involved interviews with MFIP participants residing in each of the ten case study areas. The survey described in this paper was conducted between July 1998 and January 1999 with 395 current and former MFIP participants. The survey asked about the specific service needs of welfare recipients and examined whether or not MFIP participants' service use and service needs reflected a reasonable match with the programs and services offered by area partnerships. The participant interviews also asked about barriers to self-sufficiency, family well-being, and benefits and problems associated with MFIP. Analyses of selected items from this survey are included in this paper.[3]

The third component of the study reflected a specific interest in employer involvement in welfare reform. This component of the study involved a series of telephone interviews conducted between August 1999 and February 2000 with employers identified by partnership representatives. The purpose of the employer survey was to determine three things: the extent and nature of employer involvement in partnerships, the way in which employers viewed that involvement, and the degree to which that involvement affected employers' successful operations. This information also contributed to an understanding of the most successful ways to recruit and involve employers in the welfare to work transition. This paper describes the results of 130 employer interviews conducted in both the case study locations and in the non case study sites. Employers identified in this way likely over-represent those most inclined to play a role in welfare reform. Results of this portion of the study, particularly as they relate to rural employers, are the focus of this paper.

Research Questions

The purpose of this paper is to answer the following questions:

- What are the perceived barriers to the transition from welfare to work, and who should do what to address those barriers?
- What is the role of employers in welfare reform?
- What strategies work best for supporting the transition from welfare to work? How can various stakeholders work effectively with employers to support this transition?

The paper will examine the role of employers in welfare reform, specifically those who have played some role in partnership activities in Minnesota. Employers' views will be presented and contrasted with the views of welfare participants regarding both experiences in gaining employment and problems in addressing service needs. In addition, employer perceptions of barriers to employment will be contrasted

[3] A complete report on the participant interviews and partnership case studies may be found in Owen et al. (2000).

with participant perceptions of barriers to self-sufficiency. The paper will include specific reference to any rural and urban differences that emerge from both data sources.

Literature Review

This brief literature review surveys recent research on attitudes of employers toward welfare reform and welfare recipients, issues specific to rural employers and their labor markets, and involvement of employers in activities that might contribute to the success of welfare reform. Several recent studies have examined employers' attitudes about hiring welfare recipients, and the attributes employers look for in hiring entry-level workers. Two studies included considerations of various kinds of incentives or supports that government or social service agencies might offer employers to encourage them to hire welfare recipients. However, the literature search found no recent studies that reported reactions of employers who had actually been involved with government or social service agencies in activities to help transition welfare recipients into the workforce.

Consequences of welfare policy changes

The elimination of welfare entitlements, the nearly universal work requirement for recipients, and the time limit on benefits have radically changed the policy environment in which welfare programs operate. As a result, findings from partnerships with businesses before 1997 may have only limited value in estimating effects under new policies. In particular, to successfully place the requisite number of welfare recipients to satisfy new welfare-to-work requirements, efforts to involve businesses will need to reach far beyond earlier business partnerships in three critical respects: (1) *scale:* they must find ways to place and retain far more welfare recipients; (2) *reach:* they must find ways to place and retain a far wider mix of recipients, including many with serious barriers to employment; and (3) *retention and advancement:* they must not only help welfare recipients find jobs, but they must also ensure that the recipients retain their jobs and advance into higher-paying jobs capable of sustaining the family without the help of cash assistance (Brown, Buck, and Skinner, 1998).

Recent surveys of employers show some hope that these more ambitious goals may be attainable, at least in the current economic climate of labor force scarcity. In one study, employers in a nationwide random sample reported generally positive attitudes toward welfare recipients as prospective employees. Three-quarters of those who had already hired recipients were satisfied with their job performance, and 94 percent of them said they would hire recipients again (Regenstein, Meyer, and Hicks, 1998). However, in another study, participants in focus groups in three major cities were not so positive. These employers felt that there were many people looking for work, but that new applicants for entry-level positions (regardless of whether they were on welfare) tended to have significant motivational, attitude, and life skills problems (Roberts and Padden, 1998). Another study of 900 employers in three Michigan cities in 1997 found that employers had higher expectations for the advancement of welfare recipients who had been hired in the last two years than they had for welfare recipients they will hire in the future (Holzer, 1999). Policy and program decision makers should be cautioned by these findings to be alert to the need to adjust business-involvement strategies as the characteristics of the welfare case load change.

In an earlier report, this Minnesota study found that employers are more likely to become involved in welfare-to-work activities if public and nonprofit service agencies make deliberate and individualized contact with them, rather than waiting to be approached by businesses. Mass information methods such as mailed flyers or form letters, advertisements, radio spots, and web sites may convey useful information, but do not provide motivation for most employers to participate. Employers are also more likely to enter into a productive relationship with government and social service providers when the avenue for doing so is through one specific agency, rather than through a newly-formed partnership as a

whole. While the reason is still uncertain, it may be because businesses are more likely to see an agency as an entity with a proven track record and one that will still be around several years in the future to follow through on anything that is begun together. Businesses appear to need a period of at least two or more years during which resources can dependably be focused on welfare-to-work support efforts (Owen et al., 2000).

The Roberts and Padden focus group study (1998) found that employers feel public agencies are out of touch with the needs of employers. The key to involving employers is understanding that employers' survival depends on their ability to produce a product or service at a cost which allows them to be competitive. They need employees with basic work skills, and agencies benefit from listening to these needs, and then helping job-seekers acquire the necessary skills. Some recent studies that have identified the most sought-after work skills are reviewed below.

Most sought-after skills: reliability and good attitude

In a survey of 900 private businesses and public organizations in Detroit, Flint, and Grand Rapids, Michigan, Holzer (1999) found that 90 percent of businesses said that in hiring welfare recipients, it would be "very important" that they be assured that there would not be any problems with absenteeism, tardiness, or work attitudes. Fifty-five percent said they needed assurance about the applicants' basic cognitive skills, and only twenty percent said they needed assurance about the applicants' job-related skills. Companies were asked whether they would be willing to provide various types of assistance to help the welfare recipient retain a job with their company. Few said they would help with child care (7%) or transportation (8%), although more would help with basic skills (34%) and most would help with job skills (80%). This is consistent with other studies such as Regenstein et al., 1998 which found that employers want employees who have a good attitude and will reliably come to work, and that employers will train them to actually do their job.

What help can governmental and non-profit agencies provide?

Holzer (1999) found that one-third of employers would be willing to hire more welfare recipients if they received a subsidy of 50 percent or 100 percent of the employee's wages. However, the subsidy would result in the creation of very few *new* jobs. Instead, they reported that welfare recipients would be taking positions normally filled by non-welfare recipients.

Roberts and Padden (1998) found that given a choice between receiving referrals of pre-screened, ready-to-work employees, or receiving financial incentives such as wage subsidies or tax credits for hiring recipients who are not yet ready to work, employers in several focus groups unanimously preferred the former. Employers do not see the value of providing incentives for employers to hire one group over another, and they do not feel it is fair to provide benefits to some but not all of their employees. They simply want applicants who are ready to work. In fact, some of the employers felt that the work-first model was unfair to employers because it forced employers into the role of social worker (helping employees find child care and transportation) and of teaching the employees through behavior modification. At least one employer felt comfortable helping employees with these problems, but felt that other agencies should "take the lead" in this effort so her contribution could be more manageable.

In addition to teaching practical work skills and referring work-ready job-seekers to their door, employers in the Roberts and Padden focus groups (1998) wanted other agencies to assist with post-employment support. Employee turnover is extremely expensive, and they would find it helpful if some outside agency were available to help the employee and/or employer resolve problems. Employers were also interested in learning techniques for managing this employee population, and would be receptive to a public agency's help to do this.

Rural labor markets

Welfare-to-work studies tend to describe national trends, or experiments conducted in metropolitan areas, and little research has been done to learn about welfare-to-work efforts in rural areas. In a review of the literature, Marks, Dewees, Ouellette, and Koralek (1999) noted that in many ways moving welfare recipients into the workforce will be more of a challenge in rural areas than in metropolitan areas. For example, rural welfare recipients have longer distances between home, child care, work, and training opportunities. Services such as child care, public transportation, and workforce training tend to be less available than in metropolitan areas. For these reasons, it may be more important for public agencies to assist recipients with these services. However, rural local governments have fewer staff available to take advantage of state block grants for such purposes and to put welfare-to-work programs into action. Marks et al. also noted that in rural areas public assistance has a greater stigma and shame associated with it than in urban areas, which reduces both recipients' willingness to seek help and employers' perception that help is needed.

Zimmerman et al. (1999) noted that rural welfare recipients will need to enter labor markets with features unique to rural areas. Manufacturing jobs have traditionally supplied rural areas with higher wage jobs, but these have decreased in the last three decades. In their absence, employment opportunities in rural areas are dominated by industries paying low wages, such as retail and service industries. The employment boom in recent years has passed over many rural communities, and many have high unemployment rates (Marks et al., 1999). To successfully move welfare recipients into the labor market without displacing current workers, rural communities with high unemployment will have to find ways to create new jobs. At this time the necessity of job creation is unique to rural labor markets.

However, Marks et al. (1999) notes that the more personal relationships between service provider and recipient, the more informal resource and support networks, and the smaller scale of human service agencies in rural areas compared with urban areas may be beneficial to the rural welfare-to-work effort.

Employers' views on welfare reform

Methods

Sampling and data collection

This report presents selected findings from a survey of employers who have worked with 21 community welfare-to-work partnerships across the state of Minnesota. To collect the sample, Wilder Research Center staff asked partnership coordinators and other key informants to identify employers with whom their partnership had worked. The number of employers identified by these sites ranged from 1 to 19. A total of 181 employers were identified for the sample.

The research center mailed letters to the identified employers, explaining the study and requesting their participation, and followed up with phone calls. Phone interviews were conducted between August 1999 and February 2000, using a standard questionnaire with a mix of closed-ended and open-ended questions.

Of the 181 employers identified by the 21 sites, 130 completed the interview.[4] Ten declined to be interviewed, and 41 told interviewers they had not been involved in partnership activities. Partnerships probably used different definitions of what it meant to have worked with an employer, or for an employer to have been involved. It is likely that the identified employers who said they were not involved included

[4] Numbers may vary slightly in tables due to non-responses on some items.

some who had been invited to participate but had not become involved, and others where the staff person whose name was provided to researchers was unaware of involvement on the part of some other individual or division of the company. Including all identified employers, the response rate was 72 percent. If the employers who said they were not involved are excluded from the sample, the response rate rises to 93 percent.

Rural – nonrural classification

In this analysis, the urban/suburban classification includes all employers and MFIP participants in the core Twin Cities of Minneapolis and Saint Paul and their three primary rings of suburbs, plus those in the cities at the cores of the smaller Metropolitan Statistical Areas (MSAs) in the state. (In this sample, outstate cities included Rochester and Moorhead, MN and Moorhead's sister city Fargo, ND.) The rural classification includes all employers and participants in non-metropolitan counties, those in the non-urban areas of the smaller MSAs, and those in independent growth centers at the fringes of the seven-county Twin Cities area.

Limitations

The employers included in this study were not a representative sample of Minnesota employers. The sample included only those who, for various reasons, had chosen to be involved in some aspect of community partnership activities, and only those so identified by members of the partnerships. Their experiences and attitudes relating to welfare recipients and welfare reform should not be taken to represent those of employers in general. They are probably among those most inclined to play an active role in welfare reform.

Also, the particular individual who completed the interview was often not the same person who had made the decision to become involved with the partnership. In some cases, the contact person was a representative of the human resources department, while the president had decided that the company would participate. In other cases the contact person had started his or her job after the company was already involved and was not familiar with the earlier history of how and why the involvement began. For these reasons, opinions expressed by respondents may or may not represent the opinions of the business as a whole or of its leadership. They are somewhat more likely to represent the views of those people within the business who are responsible for day to day dealings with employees.

It is important not to conceptualize employers, or even rural employers, as a unitary category. There are two cautions to remember. First, regarding rural and urban/suburban employers, there is far more within-group variation than difference between groups. Second, and at least as important, attitudes and values may vary within companies. This survey found examples of a business with an idealistic, flexible CEO and an unwillingly involved, resentful human resources director, as well as of a human relations director who hopes to use the company's involvement in the partnership to change corporate culture and educate higher management.

Because the group of employers surveyed was a purposeful sample rather than a random one, no claims are made about statistical significance of the findings. However, in looking at differences between groups, results of Chi-square tests were used as a guide to determining those differences worthy of mention. No difference is mentioned unless it had a probability of $\leq .05$, and the results of the Chi-square tests are described for rough guidance on the magnitude of the difference, recognizing the necessary assumptions about random distribution cannot be met.

Results

Characteristics of respondents

Thirty-five of the employers (27%) were in the Twin Cities area (Minneapolis and Saint Paul and their primary suburbs), 71 (55%) were in rural areas of the state, 14 (11%) were in large outstate cities, and 10 (8%) were in independent growth centers at the fringe of the seven-county Twin Cities metropolitan area. Allocating outstate cities to the urban/suburban group and fringe towns to the rural group, the rural group includes a total of 81 employers (62%) and the urban/suburban group includes 49 employers (38%).

Employer size

Most employers in this survey had over 100 employees, including full-time and part-time workers. One-quarter of employers were mid-sized (20-100 employees). Only 15 percent had fewer than 20 employees. The figure below shows the sizes of the businesses surveyed.

2. NUMBER OF CURRENT EMPLOYEES, FULL-TIME AND PART-TIME

	Rural N=81		Urban/Suburban N=49		Total N=130	
	Number	Percent	Number	Percent	Number	Percent
1 – 9	10	12%	3	6%	13	10%
10 – 19	5	6%	2	4%	7	5%
20 – 49	12	15%	6	12%	18	14%
50 – 100	13	16%	4	8%	17	13%
More than 100 **	41	51%	34	69%	75	58%

** $p \leq .05$

One-third of rural employers (33%), compared to less than one-quarter of urban/suburban employers (22%), had fewer than 50 employees.

Table 3 below shows how heavily the McKnight-involved sample emphasized larger employers. While 58 percent of sampled employers had more than 100 employees, only four percent of all Minnesota employers had 100 or more employees in June, 1999 (most recent statistics available). By contrast, 67 percent of all Minnesota employers had fewer than 10 employees, compared with only 10 percent of the sample.

3. NUMBER OF CURRENT EMPLOYEES, ALL MINNESOTA EMPLOYERS, JUNE 1999

	Rural N=57,525		Urban/Suburban [5] N=71,132		Total N=128,657	
	Number	Percent	Number	Percent	Number	Percent
1 – 9	40,558	70.5%	46,336	65.1%	86,894	67.5%
10 – 19	8380	14.6%	10,495	14.8%	18,875	14.7%
20 – 49	5389	9.4%	7907	11.1%	13,296	10.3%
50 – 99	1769	3.1%	3363	4.7%	5132	4.0%
100 or more	1429	2.5%	3031	4.3%	4460	3.5%

Note: Figures exclude 21,674 employers reporting 0 employees for the month.
Source: Minnesota Department of Economic Security

Industry sector

Just under one-third (30%) of all employers were in manufacturing, and 18 percent each were in trade and in health care services. All service categories combined totaled 47 percent (49% of rural and 45% of urban/suburban).

4. DISTRIBUTION OF RESPONDENTS BY INDUSTRY SECTOR

	Rural N=81		Urban/Suburban N=49		Total N=130	
	Number	Percent	Number	Percent	Number	Percent
Manufacturing	27	33%	12	25%	39	30%
Transportation, communication, utilities	-	-	2	4%	2	2%
Trade (retail and wholesale)	13	16%	10	20%	23	18%
Finance, insurance, real estate	1	1%	2	4%	3	2%
Services – health	14	17%	9	18%	23	18%
Services – business to business	7	9%	4	8%	11	9%
Services – social	6	7%	2	4%	8	6%
Services – other	13	16%	7	14%	20	15%
Government	-	-	1	2%	1	1%

Table 5 below gives the comparison for all Minnesota employers. The welfare-to-work partnerships heavily over-represented manufacturing and services, while under-representing all other sectors.

[5] Unlike the rural / non-rural classification used by the authors, the figures from the Department of Economic Security include as urban/suburban the independent growth centers at the fringes of the seven-county Twin Cities metropolitan area. In other respects, including the classification of major outstate cities, the classifications are the same.

5. DISTRIBUTION OF ALL MINNESOTA EMPLOYERS BY INDUSTRY SECTOR, JUNE 1999

	Rural N=57,525		Urban/Suburban[6] N=71,132		Total N=128,657	
	Number	Percent	Number	Percent	Number	Percent
Manufacturing	3656	6.4%	4580	6.4%	8236	6.4%
Transportation, communication, utilities	3294	5.7%	2477	3.5%	5771	4.5%
Trade (retail and wholesale)	18,444	32.1%	19,955	28.1%	38,399	29.8%
Finance, insurance, real estate	4454	7.7%	7784	10.9%	12,238	9.5%
Services	14,866	25.8%	27,672	38.9%	42,538	33.1%
Government	4226	7.3%	1715	2.4%	5941	4.6%
Agriculture, forestry, fishing	1956	3.4%	1129	1.6%	3085	2.4%
Mining	142	0.2%	34	0.05%	176	0.1%
Construction	6487	11.3%	5786	8.1%	12,273	9.5%

Note: Figures exclude 21,674 employers reporting 0 employees for the month.
Source: Minnesota Department of Economic Security

Education level required

Employers varied in the proportion of jobs that are accessible to low-skilled workers. For about one-third of the employers in the sample, 76 to 100 percent of the jobs at their business required no more than a high school diploma. About 50 percent of the businesses required only a high school diploma for half or more of their jobs. However, almost 10 percent of employers had no jobs available for workers with only a high school diploma. These proportions are highly consistent across the state.

6. PERCENT OF JOBS AVAILABLE TO WORKERS WITH LOW SKILLS

	Rural N=81		Urban/Suburban N=47		Total N=128	
	Number	Percent	Number	Percent	Number	Percent
Employers with no jobs requiring a high school diploma or less	7	9%	4	9%	11	9%
Employers with 1 – 25 percent of jobs requiring a high school diploma or less	17	21%	11	23%	28	22%
Employers with 26 – 50 percent of jobs requiring a high school diploma or less	14	17%	11	23%	25	20%
Employers with 51 – 75 percent of jobs requiring a high school diploma or less	19	24%	6	13%	25	20%
Employers with 76 – 100 percent of jobs requiring a high school diploma or less	24	30%	15	32%	39	31%

Wages

The average hourly wage for entry-level employees ranged from $5.30 to $13.00. The median entry pay was $7.59. Urban/suburban employers paid substantially higher wages ($p \leq .001$).

[6] See note 5 above for slight difference in sample and population classifications of urban/suburban.

7. AVERAGE ENTRY-LEVEL WAGE

	Rural N=81		Urban/Suburban N=47		Total N=128	
	Number	Percent	Number	Percent	Number	Percent
$5.30 – 6.00	8	10%	2	4%	10	8%
$6.01 – 7.00	24	30%	9	19%	33	26%
$7.01 – 8.00	28	35%	14	29%	42	33%
$8.01 – 9.00	16	20%	9	19%	25	20%
$9.01 – 10.00	2	3%	9	19%	11	9%
More than $10.00	2	3%	5	10%	7	6%
Median ***	$7.50		$8.00		$7.59	

*** $p \leq .001$

A rural worker earning the median wage for this sample, working full-time, would earn $15,600 per year, or $1,300 per month. The median urban/suburban worker, also working full-time, would earn $16,640 per year, or $1,387 per month.

An October 1999 report from the Minnesota House of Representatives Research Department provides some context for the families' prospects for self-sufficiency with these expected wages. The report estimated "basic needs budgets" for families under a variety of scenarios, including custodial parents with two children not receiving either MFIP or child support. Depending on the ages (and therefore child care needs) of the children, the wage required to sustain the basic needs budget ranged from a low of $5.15 per hour for a non-metropolitan parent of two school-age children to a high of $16.75 per hour for a metropolitan area parent of two preschool children in unsubsidized, market-rate child care. A non-metropolitan parent with children in unsubsidized child care was estimated to require a basic needs wage of $6.25 per hour. The huge differential between the metropolitan and non-metropolitan budgets was in part because of higher metropolitan costs for housing and child care, and in part because the non-metropolitan parent, with lower costs, would still qualify for Food Stamps and state and federal earned income tax credits which phased out substantially or completely for the metropolitan parent.

Health care benefits

Most employers (79%) reported that entry-level workers qualified for health care benefits within three months after employment. Eleven percent of employers did not offer health care benefits at all.

8. LENGTH OF EMPLOYMENT TO QUALIFY FOR MEDICAL BENEFITS

	Rural N=81		Urban/Suburban N=49		Total N=130	
	Number	Percent	Number	Percent	Number	Percent
Immediately	6	7%	5	10%	11	9%
One to three months	57	70%	34	69%	91	70%
Four to eleven months	8	10%	4	8%	12	9%
One year or more	1	1%	1	2%	2	2%
No benefits at all	9	11%	5	10%	14	11%

Of those employers that did offer benefits, about half (48%) reported that at least some of their employees could not afford to take advantage of them because of the cost. About one-quarter of employers (28%) estimated that one-quarter or fewer of their employees could not afford to use medical benefits, and about one-quarter of employers thought more than a quarter of employees could not afford to use the benefits.

9. ESTIMATED PERCENT OF EMPLOYEES WHO DO NOT USE MEDICAL BENEFITS BECAUSE THEY CAN'T AFFORD THEM

	Rural N=66		Urban/Suburban N=36		Total N=102	
	Number	Percent	Number	Percent	Number	Percent
None	35	53%	18	50%	53	52%
1 – 25 percent	16	24%	12	33%	28	28%
26 – 50 percent	10	15%	1	3%	11	11%
51 – 75 percent	2	3%	3	8%	5	5%
76 – 100 percent	3	5%	2	6%	5	5%

Opportunities for advancement

Most employers – 93 percent overall, and 94 percent of rural employers – said that an entry-level worker who did a good job would be earning more money at the end of a year.

Among the 111 employers who would pay more, the amount of the raise ranged from $0.13 to $3.00 per hour. The median increase expected during a satisfactory first year was $0.70.

10. EXPECTED RAISE WITHIN FIRST YEAR (IF PERFORMING WELL)

	Rural N=69		Urban/Suburban N=34		Total N=103	
	Number	Percent	Number	Percent	Number	Percent
$ 0.01 – 0.49	20	29%	8	24%	28	27%
$ 0.50 – 0.85	23	33%	10	29%	33	32%
$ 0.86 – 1.00	12	17%	8	24%	20	19%
$ 1.01 – 3.00	14	20%	8	24%	22	21%
Median	$0.68		$0.75		$0.70	

Most employers expected to continue to have higher-paying opportunities available. They reported that if the same worker were still with the company after five years, and still doing a good job, the median hourly wage by then would be $10.00 ($9.76 for rural workers). For six percent of the employers (eight percent of rural employers), the wage after five years would still be below $8 per hour. Only 23 percent of employers, and only 12 percent of rural employers, thought entry-level workers could reach more than $11 per hour in five years. Thirty-six employers were unable to estimate probable pay five years into the future.

11. EXPECTED WAGE FIVE YEARS AFTER ENTRY (IF PERFORMING WELL)

	Rural N=65		Urban/Suburban N=30		Total N=95	
	Number	Percent	Number	Percent	Number	Percent
Less than $8.00	5	8%	1	3%	6	6%
$8.01 – 9.00	18	28%	4	12%	22	23%
$9.01 – 10.00	19	29%	9	30%	28	29%
$10.01 – 11.00	15	23%	2	7%	17	18%
$11.01 – 15.00	6	9%	9	30%	15	16%
More than $15.00	2	3%	5	17%	7	7%
Median	$9.76		$10.38		$10.00	

The rural median wage of $9.76 after five years would yield an annual income of $20,301. Assuming annual inflation rates of 2 percent, this would be about 133 percent of the federal poverty guideline for a family of three in 2004 – enough to exit welfare – but only about 110 percent of poverty for a family of four, and thus not enough to exit.

Barriers to hiring and retaining welfare recipients

Employers were asked, "What do you see as the main barriers to hiring and retaining current and former welfare recipients?" Respondents had a wide variety of opinions about the barriers to hiring and retaining welfare recipients. More than anything else, they cited a lack of "soft skills." This term refers to work-related social and interpersonal skills needed to be successful on the job, such as general social skills, calling if one is going to be late or absent for work, and also staying with the job despite frustrations or disagreements. Forty-five percent of employers cited the lack of such skills as a barrier to hiring and retaining welfare recipients. This proportion was almost exactly the same for rural as for urban/suburban employers (46% and 45%, respectively).

Problems with transportation and child care were the other kinds of barriers that employers were most likely to mention. Each was cited by just over one-quarter of employers (28% and 26%, respectively). Among rural employers, transportation problems ranked second in frequency of mention and child care problems ranked third. Among urban/suburban employers, child care ranked second, and transportation tied for third place with poor attitude and motivation, which ranked fourth for the overall group. "Attitude and motivation" includes references to laziness, preferring welfare over work, or being unwilling to accept the wages or hours of the jobs that are available.

Another general category of barriers is grouped here as "lifestyle issues" because they are sometimes perceived as resulting from welfare recipients' personal choices or those of their family members. These included being a single parent, family crises (unspecified), drug abuse, domestic violence, or criminal history. Eighteen percent of employers identified at least one of these issues as one of the main barriers to employment of welfare recipients.

12. MAIN BARRIERS TO HIRING AND RETAINING MFIP RECIPIENTS (RESPONSES TO OPEN-ENDED QUESTION)

	Rural N=47		Urban/Suburban N=79		Total N=126	
	Number	Percent	Number	Percent	Number	Percent
Lack of "soft skills"	36	46%	21	45%	57	45%
Transportation problems	24	30%	11	23%	35	28%
Child care problems	21	27%	12	26%	33	26%
Poor attitude/motivation	15	19%	11	23%	26	21%
"Lifestyle" issues	15	19%	8	17%	23	18%
Nothing; no barriers	7	9%	6	13%	13	10%
System/structural problems (see note 1)	9	11%	3	6%	12	10%
Lack of education/training	3	4%	5	11%	8	6%
Employer-related barriers (see note 2)	1	1%	4	9%	5	4%
Language barriers; immigration problems (lack documents needed)	3	4%	1	2%	4	3%
Housing problems	1	1%	-	-	1	1%

Note 1: System/structural problems include: problems with medical insurance, loss of benefits, work-related costs, lack of support services, "can't earn enough to make it."

Note 2: Employer-related barriers include: employer perception that welfare recipients lack work ethic; employer's community is not diverse enough for them to come; risk losing prior employees if we give special treatment to welfare recipients; not enough money to hire more of them.

Examples of responses: "What do you see as the main barriers to hiring and retaining current and former MFIP recipients?"

> Their skill levels aren't good and neither is their work ethic. They don't understand about being on time, every day – basic common sense things. Also there are language barriers – they don't understand English. We're a small company and only can hire one person for a job, not two, one to do the work and the other to translate. [Urban/suburban employer]
>
> Lack of transportation. Unwilling to work second or third shift – due mostly to no child care available at that time. [Urban/suburban employer]
>
> Poor work attitude, child care problems, stresses on their family as they return to work. [Urban/suburban employer]
>
> I guess they seem to be more responsible in general, but child care is a problem. [Rural employer]
>
> The primary one is work ethics. They just don't want to work. [Urban/suburban employer]
>
> Stereotyping that is involved on the employer's side, like "soft skills – are they reliable?" Employers question reliability and quality. [Urban/suburban employer]
>
> Some of these people (single moms) don't know how to juggle work and home life. They fizzle out after a month and they just can't hack it. They don't have the skills to juggle it. [Rural employer]
>
> I believe that it is crucial that the applicant and new employee get some extra support as they get used to working every day. It's also important for the employer to give the employee an understanding of the business overall. This helps the employee understand this responsibility in keeping the business running. [Rural employer]

> Retaining [a job] – can they make it on the wages they are paid? They have new costs, for clothing, day care, transportation. Expenses are extra and unforeseen. [Urban/suburban employer]
>
> I don't see any barriers. This job is very physical. Everyone has a hard time, regardless of being on welfare. [Rural employer]
>
> Child care issues; children's issues such as sick children; big needs, like kids getting in trouble. They quit their jobs, because of their kids. They lack family support, transportation, a helpful environment. [Rural employer]
>
> Lack of health insurance; lack of coverage. [Rural employer]
>
> I think the biggest challenge industry and businesses face is the different needs of the MFIP recipient. … [I]t is important to let existing employees know why MFIP employees are being treated differently, such as getting more help like transportation. Sometimes existing employees' needs aren't being met adequately. [Rural employer]
>
> Don't know who they are. The fact that I don't know [means] I'm not allowed to give them any exceptions or mentoring. [Rural employer]

There were slight differences in the ranking of perceived barriers between urban/suburban and rural employers. The only category in which there was a noteworthy difference was employer-related barriers, which were more likely to be cited by urban/suburban employers ($p \leq .05$).

The strong emphasis on soft skills as the main barrier to work sets the context for understanding employers' perceptions of who should help address the barriers. After the question about barriers to hiring, employers were asked three parallel questions: "What do you think MFIP recipients could do to address the barriers they face," "What do you think the partnership could do to help MFIP recipients address these barriers," and "What do you think employers, like yourself, could do to address these barriers?" Their answers, especially when seen in the context of all three questions, help us to understand employers' perspectives on how responsibility might be shared.

Just as employers perceived a lack of soft skills to be the main impediment to employment for recipients, the first choice for what recipients could do was to improve their soft skills and attitudes: take more responsibility, be more dependable, develop work ethics, "deal with their reasons for being late," be more realistic, balance work and family better, etc.

Second, about a quarter of employers said recipients could help themselves by securing transportation, child care, or other basic supports. About 15 percent said they could get education or training. A small but exclusively rural group of four employers suggested that recipients should find jobs, but added information indicating that those jobs should be somewhere else – a home day care business, part-time work, the right job, not the first one available, or "we require references."

13. "WHAT DO YOU THINK RECIPIENTS COULD DO TO ADDRESS THE BARRIERS THEY FACE?"

	Rural N=40		Urban/Suburban N=69		Total N=109	
	Number	Percent	Number	Percent	Number	Percent
Improve their soft skills/attitude/ other life skills	43	62%	30	75%	73	67%
Get transportation, child care, or other basic supports	18	26%	9	23%	27	25%
Get education/training	10	15%	6	15%	16	15%
Nothing; there's nothing they can do	3	4%	2	4%	5	5%
Find a job (with a different employer)	4	6%	-	-	4	4%
Improve their psychological adjustment	3	4%	1	3%	4	4%

Examples of responses: "What do you think MFIP recipients could do to address the barriers they face?"

> Job preparation – have a safety net plan. If a car breaks down, can you get to work, by taxi, friend, how? Better to be late an hour than throw up your hands and not come at all. [Rural employer]
>
> Be more open with employers, communicate their needs and concerns. Tell us when things come up in their lives. [Urban/suburban employer]
>
> They need to get a clue. They need to be willing to work. [Urban/suburban employer]
>
> They need to get motivated and get responsiole. They need to get moving – life is different when you have to work. [Rural employer]
>
> Get technical skills and training, that builds their self-esteem. Also getting their relationships right, with family and friends. [Rural employer]
>
> Find child care providers who will be flexible with non-traditional work hours. [Rural employer]
>
> Find employment they like. Find a match that they can use their skills and interests with. Don't just take the first thing that comes. [Rural employer]
>
> They have been coddled by organizations. They need to be responsible and work, not only look for a handout. [Urban/suburban employer]
>
> I'll be honest, some just don't fit into the employment realm ... (such as, severe depression). Be careful of placement of some individuals. Not everyone is made to work 8-to-5. How to help [them] is the next goal. [Rural employer]
>
> Are they able to budget their time with their jobs and family life? [Urban/suburban employer]
>
> There's not much they can do [about child care problems]. There just aren't enough options. [Rural employer]
>
> Ask for help. They're used to receiving help, not asking. [Rural employer]
>
> Each one has their own reason for poor attendance and tardiness. They need to deal with the reasons for being late. [Rural employer]
>
> They don't have a lot of things they can do. It's a problem with society and the system. [Urban/suburban employer]

There was more variation in employers' ideas about what partnerships could do. Nearly half (48%) said they could provide or connect recipients to basic supports and resources (such as child care, transportation, medical insurance, after hours services, English as a second language classes, etc.), and

nearly one third (32%) said they could help them develop soft skills. About 18 percent overall (13 percent of rural employers) thought they could help recipients get education or training.

Compared to all the above-mentioned services to recipients, there were fewer mentions (14% of employers) of services that the partnerships could offer to employers or to the community. These included more information on available services, following up with employers after placing workers, and screening job seekers and matching them with what employers are looking for. Making the top five list of suggestions for rural employers, but not urban/suburban employers, were suggestions to change the system (advocate for policy or funding changes, enforce penalties for not working, or provide better incentives for working).

14. "WHAT DO YOU THINK THE PARTNERSHIP COULD DO TO HELP MFIP RECIPIENTS ADDRESS THESE BARRIERS?"

	Rural N=40		Urban/Suburban N=68		Total N=108	
	Number	Percent	Number	Percent	Number	Percent
Provide/connect them with basic supports/resources	35	52%	17	43%	52	48%
Help them develop soft skills	23	34%	12	30%	35	32%
Help them get education/training	9	13%	10	25%	19	18%
Provide services to employers/ the community	8	12%	7	18%	15	14%
Provide role models, mentors, coaching, counseling, support groups	7	10%	4	10%	11	10%
Change/enforce the system	9	13%	1	3%	10	9%

Examples of responses: "What do you think the partnership could do to help MFIP recipients address these barriers?"

> I think the MFIP recipients need the help of the partnership because they can't possibly do it on their own. They need to develop job skills. [Rural employer]
>
> They could make sure the workers understand what's expected of them and teach them proper work expectations. [Urban/suburban employer]
>
> I've talked to a temp agency person who gets MFIP people jobs; they stay about three days, then go back on welfare. There is no way to track these people, but they should be penalized. [Rural employer]
>
> Train them up-front, then provide follow-up training, focusing on soft skills. Partnership with employers in this effort. [Urban/suburban employer]
>
> Follow up more on the placement with employees and also with employers about how it's working out. More frequent communications between partnership entities. [Rural employer]
>
> Help them with their skill levels and their work ethics. Many people don't have English skills so they need ESL classes. Build relationships with recipients so they know resources. [Urban/suburban employer]
>
> Lobby for better public transportation and day care for second and third shift workers. [Urban/suburban employer]
>
> Stop talking about the five-year limitation on welfare with the recipients as if it's not for real, like it might not happen. They need to communicate the urgency of this timeline. [Rural employer]

> Be more involved in the first 30 days [after hiring]. Go beyond the [job] candidates, involve the whole family in the adjustment. [Urban/suburban employer]
>
> Companies need to have a better understanding – they don't want to become a social service agency, but they [the partnership] need to work with companies to make them more aware of community issues. [Rural employer]
>
> They should, during their training process, place them in work situations so the worker knows what to expect from employers. [Urban/suburban employer]
>
> Be strict. Take away benefits right away [if they don't show up for work]. [Rural employer]
>
> Provide people to work with new employees, to help them with adjustments. … Examples of concrete help and guidance – a list of day care centers, sick child centers, bus times and routes. [Urban/suburban employer]
>
> Help them hook up with services and resources. [Urban/suburban employer]
>
> People need to be thinking of a better way of handling mass transit. There are a lot of jobs out here, but no way to get here. [Urban/suburban employer]

Employers had no lack of suggestions for what they and others like them could do about the barriers. Over half (56%) gave suggestions that centered on employers' relationships with employees, such as trying to understand what they were going through, being open-minded or flexible or encouraging, communicating their expectations clearly, or "providing a positive work environment." Nearly half (48%) suggested somewhat more tangible forms of support, including mentors, help with developing soft skills, help with child care, transportation, education, or training, and helping them "meet their needs." These suggestions were more likely to come from rural employers (54%) than from urban/suburban employers (37%).

Thirteen percent of employers suggested some form of positive community participation, such as greater involvement with the partnership or with social service agencies, working on affordable housing issues in the area, or communicating to policymakers about the welfare-to-work process. Only six percent said there was nothing for employers to do, and only one of these was a rural employer.

It is important to remember, in considering these views, that the sample represented a group of employers who had already made a decision to participate in the welfare reform activities of the partnership. Their views should not be taken as typical of employers in general.

15. "WHAT DO YOU THINK EMPLOYERS, LIKE YOURSELF, COULD DO TO ADDRESS THESE BARRIERS?"

	Rural N=41		Urban/Suburban N=74		Total N=115	
	Number	Percent	Number	Percent	Number	Percent
Understand their issues; communicate; encourage them; provide a supportive work environment	40	54%	24	59%	64	56%
Help/support them; provide or link them to basic supports, mentors, soft skills, education/training	40	54%	15	37%	55	48%
Civic involvement; work on policy/ social environment	10	14%	5	12%	15	13%
Employers could provide/improve pay, bonus, benefits, work hours	9	12%	4	10%	13	11%
Hold the line; be tough with them; maintain standards; no special treatment	5	7%	3	7%	8	7%
Nothing; "it's not our job"	1	1%	6	15%	7	6%
Be willing to hire; match workers with suitable jobs (not necessarily at this business)	5	7%	1	2%	6	5%

Examples of responses: "What do you think employers, like yourself, could do to address these barriers?"

> These people are not self-directed. We need to be tougher on them. Get them out of bed and on the telephone looking for work. [Rural employer]
>
> Being forthright and honest during the orientation process so the worker knows what to expect from employers. [Urban/suburban employer]
>
> We could work with employees one-on-one, [tell them] "This is what's expected," tie the person to a mentor who can support them. [Urban/suburban employer]
>
> We are not positioned to do anything. We don't have excess funds to provide what they need, like on-site child care. [Urban/suburban employer]
>
> We could provide transportation and child care. That would benefit us, that would cut the rate of days employees miss due to problems with transportation and child care. [Urban/suburban employer]
>
> What we have done is get people to sign up and do ride-sharing at work. In our orientation process, we give the employee some support along the way … not [just] leaving them in a job. [Rural employer]
>
> Don't give up on hiring because some will quit. [Rural employer]
>
> We need to be informed about the services out there and make more of a collaborative effort to work with the different programs. [Rural employer]
>
> Offer them a positive environment. [Rural employer]
>
> Tolerance and patience, those are the two big things we have to give. [Rural employer]

Nothing, we don't really have anything to offer, because they are so uneducated it's too much work to try to help them. [Urban/suburban employer]

Be as sensitive as possible to the needs of the employee. Many haven't worked for a while, and be sensitive to their adjustment period. [Urban/suburban employer]

Probably [have a] better understanding, a more thoughtful interview, explain the rudimentary basics of what is required. The basics – not taking things for granted in a person who has no previous work experience. [Urban/suburban employer]

It's not our job. It's the government's. [Urban/suburban employer]

Be flexible, but set firm goals, pay fair wages. [Rural employer]

Be more lenient. Make exceptions. These people need a break. [Rural employer]

Sit down with [welfare-to-work] employees and talk and communicate. Let them know we'll help them if they need it. [Rural employer]

Clearly state guidelines and be understanding, yet not compromising. [Rural employer]

We survey employees on their needs. Can we start a day care, or maybe give them a discount? These are questions we are currently looking into. [Rural employer]

Work together with [the job counselors] to handle each situation individually. [Rural employer]

Kinds of help employers value

The survey asked employers whether local partnerships had helped them recruit, train, and retain employees, and whether partnerships had helped their employees balance their responsibilities to their job and to their children.

16. "HAS YOUR INVOLVEMENT IN THE PARTNERSHIP HELPED YOUR COMPANY IN ANY OF THE FOLLOWING WAYS?"

	Rural		Urban/Suburban		Total	
	Number	Percent	Number	Percent	Number	Percent
Finding and recruiting new employees N = 80, 48	42	53%	36	75%	78	61%
Training new employees N = 81, 48	34	42%	19	40%	53	41%
Keeping new employees on the job N = 80, 48	38	48%	18	38%	55	43%
Helping employees balance their responsibilities to their job and to their children N = 76, 45	27	36%	19	42%	46	38%

Employers who reported that they had been helped in any of these ways were asked to explain how they were helped. The responses to these questions allow us to explore the kinds of programs and services that employers consider useful, either for themselves or for their workers. For recruitment, employers mainly cited services to employers themselves (referrals, exposure of the company or its jobs in the community, at job fairs, etc.), but a few employers recognized the value of services to help job seekers qualify for or gain access to job opportunities. The pattern was reversed for training, retention, and life/work balance: employers mainly cited partnership services to workers, and only a few mentioned services to employers (including services to help them better help their employees).

Finding and recruiting new employees

Three-quarters of urban/suburban employers had been helped to find and recruit new employees, compared with just over half of rural employers ($p \leq .05$). The kinds of services that were helpful were the same for rural as for urban/suburban employers. In both cases, they mostly cited receiving referrals of job applicants and exposure in the community (75% of rural employers, 92% of urban/suburban employers). Exposure was mainly of job opportunities, including job fairs for urban/suburban employers but not for rural ones, but to a lesser degree it also included more general exposure of the company's existence and activities. Other kinds of help included a variety of help to workers themselves (with transportation, child care, translation or English as a second language, mentors, etc.). Just over ten percent of employers cited help given to employers themselves (assessment of applicants' soft skills; help with training; payment of wages for an initial employment period).

17. HOW EMPLOYERS WERE HELPED TO FIND AND RECRUIT NEW EMPLOYEES

	Rural N=25		Urban/Suburban N=28		Total N=53	
	Number	Percent	Number	Percent	Number	Percent
Exposure in the community; received referrals	21	75%	23	92%	44	83%
Partnership help for job seekers/ workers	5	18%	3	12%	8	15%
Partnership help for employer	3	11%	3	12%	6	11%
Employer helps workers (more aware of issues)	-	-	1	4%	1	2%

Examples of responses: "Has your involvement with the partnership helped your company in … finding and recruiting new employees? [If yes:] Please describe."

> They have given us grants to enhance bus schedules, allowing us to hire applicants for night shifts. They refer some of those applicants to us. [Urban/suburban employer]
>
> Just exposure in the community – we have gotten referrals we might not have gotten otherwise. [Rural employer]
>
> We have participated in several job fairs and hired some recipients as a result of those. [Urban/suburban employer]
>
> People have been referred to us through the partnership. [Urban/suburban employer]
>
> On-going soft skills training. The partnership finds employees that we didn't have access to. [Urban/suburban employer]
>
> Through the workforce center, they sent me brief little resumes of people looking for jobs. Then I could screen for potential matches. [Urban/suburban employer]
>
> They put together a training package that was job specific for our business's positions. [Urban/suburban employer]

Training new employees

Almost the same proportion of urban/suburban and rural employers reported that the partnership had helped them with training new employees (40% and 42%, respectively). The majority cited kinds of help given directly to employees, mainly partnership-based training programs, but also counseling or mentoring, English as a second language or translation help, and "help with problems" not further specified. Only 11 percent cited help given directly to employers. These kinds of help included

screening, training of supervisors or otherwise helping employers develop their own training programs, and partnership payment of wages for an initial period.

18. HOW EMPLOYERS WERE HELPED TO TRAIN NEW EMPLOYEES

	Rural N=34		Urban/Suburban N=19		Total N=53	
	Number	Percent	Number	Percent	Number	Percent
Partnership services to workers	30	88%	18	95%	48	91%
Partnership services to employer	4	12%	2	11%	6	11%

Examples of responses: "Has your involvement with the partnership helped your company in … training employees? [If yes:] Please describe."

> If we have an employee referred by the agency, they will help us if we have a problem in areas like job responsibility – showing up on time. [Urban/suburban employer]
>
> They help get them ready for working. They stress the importance of appearance, promptness, work ethics, and that type of thing. [Urban/suburban employer]
>
> We've gotten information about where trainings are held that we can pass on to new employees. [Urban/suburban employer]
>
> The pilot project is 12 weeks long. That's a long time. It meets two times a week for 12 weeks. It's hard to take people off the assembly line for that. It's long, but it's important. [Rural employer]
>
> [The mentoring workshop] provided knowledge how to bring out the best in others, and how to treat each other using a feedback system… . [Rural employer]
>
> Through the McKnight grant, I was able to get a translator to translate our manuals into the Bosnian language. We are training the people in-house, but the translator doesn't cost me anything. [Rural employer]
>
> Supervisors are trained [by the partnership] to deal with employees with lesser skills and lack of work routine. [Rural employer]

Keeping new employees on the job

Rural employers reported receiving slightly more help with retention than did urban/suburban employers (although the difference was not statistically significant). For the most part, those who were helped cited on-going support from the partnership for new employees, including help with transportation, child care, and translation, as well as training programs (especially in rural areas) and counseling or mentoring. To a lesser degree, some employers cite the value of help given to employers, including screening of employees, training supervisors, on-going communication with employers (presumably about any problems the employee might be having), and payment of initial wages or a bonus for staying six months. Just a few employers mentioned ways in which the partnership had helped them to better help employees themselves. These included being more aware of workers' problems, making accommodations for problems, or developing a program to meet their needs.

19. HOW EMPLOYERS WERE HELPED TO RETAIN NEW EMPLOYEES

	Rural N=34		Urban/Suburban N=17		Total N=51	
	Number	Percent	Number	Percent	Number	Percent
Partnership services to workers	27	79%	15	88%	41	80%

Partnership services to employers	7	21%	3	18%	10	20%
Employer help to workers	2	6%	1	6%	3	6%

Examples of responses: "Has your involvement with the partnership helped your company in … keeping new employees on the job? [If yes:] Please describe."

> They pitched in – would help them find day care, provided transportation when needed. [Rural employer]
>
> They offered her a bonus for staying six months. [Urban/suburban employer]
>
> When someone doesn't show up, I can call Sue and she will follow up with the worker and tell them to get back to work. [Rural employer]
>
> As a result of [workforce center] visits we were somewhat sensitive to their needs. Many had day care and transportation problems. [Urban/suburban employer]
>
> The partnership has a post-employment specialist. Their [new employees'] performance is critical. To help them with issues – they have incredible results keeping the new employees on the job. The specialist is even grandfathered in when the project ends. The specialist is underutilized by the companies, I think, but the specialist has an incredible case load. [Rural employer]
>
> I feel we have developed a better social link, social orientation through our mentorship program, contacting them those first few weeks of working in, fitting in with new employees. We have tracked it, and have not lost anyone in the first three months unless the person was a bad hire. [Rural employer]
>
> The preparation of the pre-job training, and on-going support. [Rural employer]
>
> They were willing to help our problem employee when things came up that conflicted with her staying on the job. [Rural employer]
>
> They pick them up for work and take them home, and even call them to make sure they get up in time for work. [Rural employer]

Helping employees balance their responsibilities to work and family

Unlike recruiting, training, or retention, work/life balance was not cited by any employer as a concern that had led them to become involved in the partnership. However, when asked, slightly over one third (38%) of the employers were able to think of some way in which they or their employees had gotten this kind of help. Most of these cited non-material help provided directly to workers by the partnership, including "they go over that in the training."

More specific answers included material kinds of help to workers, including providing or helping them to access basic goods and services such as clothing and shoes, child care, transportation, and even housing. Just a few employers cited ways in which their involvement had led them to change some aspect of their operations to better support work/life balance: greater awareness of employees' problems, or accommodation to them, training that includes issues of balance, or even (in one company) hiring family coordinators to help employees address family problems.

20. HOW EMPLOYERS WERE HELPED TO HELP THEIR EMPLOYEES BALANCE THEIR RESPONSIBILITIES TO WORK AND FAMILY

	Rural N=26		Urban/Suburban N=19		Total N=45	
	Number	Percent	Number	Percent	Number	Percent
Partnership non-material help to workers	20	77%	10	53%	30	67%

Partnership material help to workers	8	31%	10	53%	18	40%
Employer help to workers	3	12%	1	5%	4	9%

Examples of responses: "Has your involvement in the partnership helped your company in ... helping employees balance their responsibilities to their job and to their children? [If yes:] Please describe."

> They counsel them extensively regarding these issues and give them access to the resources they may need. [Urban/suburban employer]
>
> During training we focus on personal development and personal goals, which relate to family issues as well as job skills. [Rural employer]
>
> Family mentoring programs. These issues are covered. [Urban/suburban employer]
>
> We have family coordinators that work with the employees. We're sensitive to what they needed. Without this coordinator we're not going to keep an employee – they'll move on because jobs are easy to come by. [Urban/suburban employer]
>
> The agency helped with child care and transportation. [Rural employer]
>
> They continue to support those who need it on a one-to-one basis, dealing with those concerns. [Rural employer]
>
> They have helped by bringing in someone to work with employees (follow-up contact). [Rural employer]
>
> The workforce center has a workshop to help welfare recipients talk about this. Over 150 people attended ... the workshops are very successful. [Rural employer]

Balancing business and social service goals

Most employers (81% overall, 79% of rural) had hopes or expectations about how their company might benefit from working with the partnerships. For the most part, especially among urban/suburban employers, they hoped to gain access to a source of employees. Secondary reasons for participating were to improve employee retention, or to help welfare recipients or the community. A few mentioned a desire to learn bout the partnership or about the social service agencies in the community, or a desire for help with training or supervision of new employees. A few mentioned financial incentives for hiring welfare recipients (tax credits or wage subsidies).

21. EMPLOYERS' HOPES OR EXPECTATIONS FROM PARTICIPATION

	Rural N=63		Urban/Suburban N=42		Total N=105	
	Number	Percent	Number	Percent	Number	Percent
Gain or retain employees	51	81%	38	91%	89	85%
Civic participation; learn about issues, partnership, services; gain community exposure	15	24%	13	31%	28	27%
Get help with business needs (training/supervision, mentor program, translation, etc.)	9	14%	3	7%	12	11%
Fiscal incentives	5	8%	3	7%	8	8%

Examples of responses: "Did you have any particular hopes or expectations about how your company might benefit from working with the partnership? [If yes:] Please describe."

> To help people get off welfare and to help us with filling open spots. [Urban/suburban employer]

We hoped to get new employees and learn about the different programs going on. [Urban/suburban employer]

Getting some stable employees that would stick with us. [Urban/suburban employer]

After I attended the [job mentoring] workshop I knew it would have a major impact on our company culture – the environment in which we work, and how we treat each other. We set up mentoring workshops for our employees and eventually 90 of our employees were trained on company time in the mentoring program called "Welcome Sponsors." They assist new hires. [Rural employer]

My hopes were multifaceted: 1) Our company recognized they might benefit by adding to the workforce. 2) Get more involved with child care and transportation problems of the workers. 3) I wanted us to be more involved in community issues. [Rural employer]

We hoped … that the partnership would help with training and follow-through. [Urban/suburban employer]

My hope – training was free – was to be able to train 10 to 12 people in our building. One eight-hour course, and then a follow-up two-hour course. The partnership was providing us tools and skills to develop a mentorship program in-house and to sustain it. [Rural employer]

To save a lot of money come tax time. [Rural employer]

That these people would come to work five days a week and be productive. [Rural employer]

We were scrambling to keep our workforce viable. We needed new employees; we hoped some slots would be filled. [Rural employer]

Another clue to what employers find helpful is from their answers to the following question: "Traditionally, welfare-to-work programs run by social service agencies have focused on helping welfare recipients, while business efforts have focused on accessing entry-level workers and improving the 'bottom line.' This can sometimes lead to a conflict of interest. How effective has the partnership been in balancing these different goals? Please explain." A substantial minority (42%, slightly higher in rural areas) either felt there was no conflict between business and social service goals, or that the partnership was ensuring that both were being met. Next in frequency was the observation that partnerships were doing a good job of balancing the goals because they were meeting business needs. Some employers cited process factors such as realism, communication, or effort as ways in which the balance was being achieved, and some cited the importance of business being involved in or understanding social issues. Respondents who felt that the partnerships were not doing a good job of balancing tended to cite ways in which the partnership failed to meet business needs (e.g. "the workers they sent over both quit"), or faulted the partnership for asking business to do too much or not asking workers to do enough, or for poor process (mainly follow-up and communication).

22. PARTNERSHIP'S BALANCE BETWEEN BUSINESS AND SOCIAL SERVICE GOALS

	Rural N=67		Urban/Suburban N=41		Total N=108	
	Number	Percent	Number	Percent	Number	Percent
Positive comments:						
Balances business needs and worker/MFIP recipient /social service needs; goals are the same	30	45%	15	37%	45	42%
Helps/listens to business; meets our needs	10	15%	9	22%	19	18%
Process factors: good concept, follow-up, communication, honesty, effort	10	15%	4	10%	14	13%
Good for business to be involved with/understand social issues	7	10%	2	5%	9	8%
Helps workers	3	5%	3	7%	6	6%
Negative comments:						
Doesn't balance business with worker/social/recipient needs (enough); expect too much of business; MFIP rules don't require enough of recipients	5	8%	2	5%	7	7%
Doesn't listen/meet needs of business (enough)	9	13%	5	12%	14	13%
Poor communication/follow-up	4	6%	4	10%	8	7%
Doesn't help workers (enough)	1	2%	-	-	1	1%

Examples of responses: "How effective has the partnership been in balancing these different goals? Please explain."

> They provide workers and we train them. [Urban/suburban employer]
>
> They have a good understanding of business and employee needs. [Urban/suburban employer]
>
> They have been listening to the employers and are starting to listen more to our needs and concerns. [Urban/suburban employer]
>
> We were able to get more targeted training to put people to work sooner. We were treated as the customer – our needs were considered. [Urban/suburban employer]
>
> I feel that working closer on the committee helped us understand each other: what the employer needed, and vice-versa, learning what the work[force] center is doing and understanding their process. [Rural employer]
>
> With the help of the translator and training, they won't remain in any entry level job. They can become more valuable to us because they have more skills, and they in turn have more income. [Rural employer]
>
> We need workers, they can provide the workers. It's great! [Rural employer]
>
> Many employers are changing in terms of expectations and are willing to offer support. This is due to the shortage of employees. The welfare to work program considers the recipient, but may not always consider the employer when implementing programs. [Rural employer]

> The social service agencies do not focus on day care needs enough. As employers, we lose workers because of this and it does not help our bottom line. [Rural employer]
>
> They have not been very good about communicating with us. We haven't heard from them, and never got any workers through the program. [Urban/suburban employer]

Role of business in welfare reform

Forty-one percent of employers said their company does something differently as a result of their contact with the partnership. The percent was the same for rural as for urban/suburban employers. The changes ranged from knowledge and attitudes, to relationships with the community, to actual business practices. Urban/suburban employers were significantly more likely to report that they had adopted more open, less restrictive hiring practices. Rural employers were slightly more likely to mention greater involvement or participation in the community or with social service agencies. About one-quarter of employers said they better understand the needs of welfare recipients, but a greater percentage have begun doing specific things to meet those needs, or to connect workers with resources for meeting them.

23. WHAT EMPLOYERS DO DIFFERENTLY AS A RESULT OF CONTACT WITH THE PARTNERSHIP

	Rural N=29		Urban/Suburban N=20		Total N=49	
	Number	Percent	Number	Percent	Number	Percent
Provide supports (tangible, e.g. training, mentor program, child care, literacy program)	10	35%	6	30%	13	33%
"Meet their needs," connect workers to supports (tangible, e.g. provide information on child care, housing, transportation)	8	28%	5	25%	13	27%
Understand workers; "supportive work environment" (intangible or unspecified)	7	24%	6	30%	13	27%
More networking, involvement in the community	9	31%	2	10%	11	22%
More open to hiring; post jobs at agencies; identify welfare employees **	2	7%	8	40%	10	20%
Changed hours; more flexible	4	14%	1	5%	5	10%
"Working on" child care, housing	3	10%	-	-	3	6%

** $p \leq .05$

Examples of responses: "Does your company do anything different as a result of your contact with the network? [If yes:] Please describe."

> We've opened up our requirements to allow more people to apply – made it less restrictive. We've started better training programs. [Urban/suburban employer]
>
> We're more knowledgeable on isues and sensitive to problems employees may face. [Urban/suburban employer]
>
> We're more aware of the resources out there and more willing to help employees as challenges and problems come up. [Urban/suburban employer]

> We're more sensitive to transportation and child care issues. [Urban/suburban employer]
>
> We have a more open mind about the employees we are willing to hire. [Rural employer]
>
> Being more flexible, and considering personal issues. [Rural employer]
>
> We developed the workplace literacy program. [Urban/suburban employer]
>
> Some more communicating with the ... workforce center, but not a lot. We post positions with them. We haven't gotten a lot of response. [Urban/suburban employer]
>
> We use the red resource book [guide to support resources, produced by the partnership] a lot. We started an employee assistance program. We target advertising to them also. [Rural employer]
>
> We do send more of our people to community meetings on special issues. [Rural employer]
>
> We have more connections to community resources to offer employees in need. [Rural employer]

Almost all employers (95%) said there is a role for employers in welfare reform. Rural and urban/suburban employers showed almost no differences in acknowledging a role, or in the nature of that role: across the board, employers said their role was to be open-minded and flexible and to consider hiring welfare recipients (65%). Other roles cited by just over one-quarter of respondents were to be good citizens (help the community, work together or be a resource to social service agencies, etc.), and to provide various kinds of tangible supports to their workers (provide training, benefits, living wages, mentors; help with transportation, child care, career ladders).

24. ROLE OF EMPLOYERS IN WELARE REFORM

	Rural N = 75		Urban/Suburban N = 45		Total N = 120	
	Number	Percent	Number	Percent	Number	Percent
Be open-minded, understanding, flexible, willing to consider hiring	51	68%	27	60%	78	65%
Provide supports (tangible, employer-provided)	21	28%	13	29%	34	28%
Civic participation/responsibility	20	27%	14	31%	34	28%
Provide encouragement, support (vague or intangible); work with them, connect them to supports	9	12%	8	18%	17	14%

Examples of responses: "Based on your experience, do you think employers like you have a role to play in welfare reform? [If yes:] Please describe the role you see employers have to play."

> We give jobs to people who show up and work. [Urban/suburban employer]
>
> Be at the table with other education, business, trainers, etc. We all can learn from each other. [Urban/suburban employer]
>
> Employers have to give these people an opportunity to be able to work. [Rural employer]
>
> It can be a good program. The welfare recipients need to be able to get into the workforce. We can help facilitate that. [By "we" I mean] other employers – we gave it a try and it didn't work out. [employer who hired one recipient] [Urban/suburban employer]
>
> To tell (or dictate to) the welfare department what we're looking for, so they can provide people who already have the training they need for the job. [Rural employer]

Major role. We have a responsibility to facilitate that entire process. Look at work force differently. Recognize that ... [it is a] long term investment that employee understands the needs of the employer. Employer must look at the culture the employee comes from to help the transition. [Urban/suburban employer]

To be an equal opportunity employer. Truly try to work with people and give them the opportunity to succeed. [Rural employer]

Employers have to be more accommodating, more flexible, more creative – offering child care, flexible hours, etc. [Rural employer]

There needs to be less government involvement. Businesses need to take the lead and follow up with the commitments they make. [Urban/suburban employer]

Giving them a chance, not stereotyping. [Urban/suburban employer]

Make it possible for them to work. Be flexible. Pay living wages, help figure out child care problems. [Rural employer]

Getting entry level employees – train them and help them advance as their skill level increases. [Rural employer]

We need to be the mentors. [Rural employer]

More of an advisory role – we see what's working, what's not, and what's needed. We can give valuable input. [Rural employer]

Have to be more aware of problems – community issues. Better communication with social service agencies and employees. Right now that communication is poor. [Rural employer]

Of the handful of employers who said there was no role for employers in welfare reform (three rural and four urban/suburban), the reasons were interesting in juxtaposition with each other. All three of the rural employers said that it was too much to ask (recipients need too much special treatment, or it is not the responsibility of business to take care of these needs), while the four urban/suburban employers were evenly split between that opinion and the opinion that nothing needs addressing (recipients do not need any special treatment, "there shouldn't be any welfare").

Differences between rural and urban/suburban employers

Consistent with previous research, this study shows that rural employers are not very different from urban and suburban employers in their views of welfare reform and welfare recipients. While rural employers tend to be smaller on average, and pay lower wages than urban and suburban employers, this sample of employers who have become involved with welfare reform did not otherwise show significant differences except that urban and suburban employers were much more hungry for workers, and consequently demonstrated greater flexibility in hiring practices.

Differences between large and small rural employers

Previous literature and the case studies in this project both indicate that most rural employers are small. To maximize their efforts, the rural partnerships recruited a disproportionate number of large employers, so the sample for this survey under-represents the typical, smaller rural employers. To explore what difference, if any, size makes in rural employers' needs and attitudes, the rural sample was subdivided into smaller and larger employers (with fewer or more than 100 employees) and differences were examined. Those with a Chi-square p-value of ≤ .05 are summarized below.

The two groups were different in some key business characteristics besides size. Smaller employers were more likely to have no jobs available to applicants with only a high school diploma or less; less likely to

offer a raise of more than $1.00 to beginning workers who were still there and performing well by the end of one year; more likely to have no medical benefits for their employees; and, of those who did offer medical benefits, more likely to report that over half of their employees were unable to take advantage of them because of the cost. Almost exactly half of each group was made up of organizations in the service sector (profit or non-profit), but the large employer group included more health care services, and the smaller employer group included more "other," or all services other than health care, business-to-business, and social.

Smaller employers were less likely to say that they had had any particular hopes or expectations about how their company might benefit from working with the partnership. However, among those who did have hopes, there was no difference between larger and smaller employers in the kinds of hopes they had. Those who had no expectations were most likely to report either that they did not need anything from the partnership, or that they were skeptical and did not want to be disappointed.

Large employers were more likely to perceive transportation problems as a barrier to hiring and retaining welfare recipients. This was the only significant difference in the barriers perceived by large and small rural employers. Large employers were more likely to say that employers could help to address barriers by providing help and support to their employees, including help with transportation, child care, or connection to community resources. In other respects, size made almost no difference at all in the kinds of suggestions for what employers could do.

Smaller employers were no more or less likely to say they did anything different as a result of their contact with the partnership. However, of those employers who did make any changes, small employers were more likely to say they had become more flexible or had changed their hours.

25. NOTEWORTHY DIFFERENCES BETWEEN LARGE AND SMALL RURAL EMPLOYERS

	Small (100 or fewer employees)		Large (over 100 employees)	
	Number	Percent	Number	Percent
Employer characteristics				
Employer has no jobs that require only a high school diploma or less N = 40, 41	7	18%	-	-
Employer would expect an entry-level worker, performing well, to be earning more than $1.00 more per hour by one year after employment N = 33, 36	3	9%	11	31%
Employer does not offer medical benefits N = 40, 41	8	20%	1	2%
More than half of employees do not take advantage of health care benefits because they can not afford them (only asked of employers who offer medical benefits)	5	17%	-	-
Employer's industry sector is services – health care N = 40, 41	2	5%	12	29%
Employer's industry sector is services – other (excluding health care, business-to-business, and social) N = 40, 41	10	25%	3	7%
Attitudes and activities relating to welfare reform				
Employer had hopes or expectations about potential benefits from involvement with partnership N = 40, 40	27	68%	36	90%
Employer perceives transportation as a barrier to hiring and retaining welfare recipients N = 40, 39	7	18%	17	44%
Employers could help address barriers by providing help/ support to employees N = 36, 38	14	39%	26	68%
Employer has changed hours or become more flexible (only asked if employer does something different because of involvement in partnership) N = 14, 15	4	29%	-	-

Current and former MFIP participants' views on welfare reform

Methods

Sampling, data collection, and analysis

The Minnesota Department of Human Services provided Wilder Research Center with a sampling frame of the 48,992 adults who were receiving MFIP at some point between July 1998 and January 1999. Wilder Research Center then selected all non-exempt[7] adults who lived in one of the 10 case study site areas (N= 26,634) and randomly selected 750 individuals from that list, stratifying by geographic area (n=75 per case study site).

Wilder Research Center also received contact information (name, address and phone number) from the Minnesota Department of Human Services. All baseline interviews were conducted by phone between July and November 1999. A total of 395 interviews were completed, out of 642 attempted cases, for a response rate of 62 percent. A follow-up wave of interviews with the same panel of respondents will be conducted beginning in the summer of 2000.

For the purposes of this paper, cross-tabulations were conducted to examine differences between rural and urban/suburban respondents (see employer survey methods section for criteria). Chi-square analyses were conducted to test these differences for statistical significance. Only statistically significant differences with a p-value of .05 or lower are reported.

Limitations

The sample of respondents discussed in this report should not be considered representative of the entire statewide MFIP population for several reasons. First, the sampling design selected MFIP participants from the 10 McKnight case study sites, thereby over-representing non-metropolitan areas of Minnesota. Second, response rates were higher among White participants than among participants from other racial or ethnic groups. Finally, the small sample size and heterogeneity of the non-English speaking groups (nine different languages) made it cost-prohibitive to conduct the interviews in languages other than English.[8]

Results

Respondent characteristics

The 10 McKnight case study sites where respondents live include two suburban and two mostly urban communities in the Twin Cities area, and six mostly rural communities in greater Minnesota. Overall, 55 percent of the participants came from rural areas (n=219) and 45 percent were from urban/suburban areas, including the Twin Cities and Moorhead.

Comparisons of the basic demographic characteristics of the study sample and of the statewide MFIP population indicate that the study respondents are somewhat representative of the overall welfare population. The average ages, length of welfare use, and marital status among the two groups are very similar (Owen et al., 2000). The proportion of Hispanics and Native Americans in the two groups is also

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[7] Nonexempt adults refers to adults who are not exempt from MFIP work activity requirements. Disabled adults, persons over 65, and those caring for an infant (12 month lifetime maximum) are exempt from work requirements.

[8] Other evaluation activities, including site visits and focus groups, will provide more specific information regarding the impact of welfare reform on immigrants in Minnesota.

very similar. The proportion of Blacks/African Americans and Asians in the interview sample, however, is smaller than that of the statewide MFIP population, and Whites are over-represented.

Table 24 displays the basic demographic characteristics of the rural and urban/suburban respondents in the study sample.

26. RESPONDENT CHARACTERISTICS, MFIP PARTICIPANT SURVEY

		Rural (N=219)		Urban/ Suburban (N=176)	
		Number	Percent	Number	Percent
Still on MFIP	Yes	118	54%	111	63%
	No	101	46%	65	37%
Years on MFIP	0 to 3	98	45%	79	45%
	More than 3	121	55%	96	55%
Working	Yes	137	63%	117	67%
	No	82	37%	59	34%
Median hourly wage		$7.00		$8.50	
Race/ ethnicity	African American/ Black	2	1%	57	32%
	Asian	2	1%	4	2%
	Hispanic	10	5%	12	7%
	Native American	23	11%	9	5%
	White	181	83%	94	53%
Number of children in household	0 to 2	149	68%	120	68%
	3 or more	70	32%	56	32%
Ever married	Yes	117	53%	78	44%
	No	102	47%	98	56%
High school graduate/ GED	Yes	160	74%	136	78%
	No	57	26%	39	22%

Experience and satisfaction with MFIP

The vast majority of respondents (90%), regardless of geographic area, said that MFIP had helped them in some way. Help with basic needs, such as paying bills (31%), buying food (24%), getting medical coverage (16%), and paying for housing (15%), were cited by many as ways that MFIP had helped them. Several respondents also mentioned that MFIP had helped them to stay in school (17%), find a job (17%), or get child care (15%).

27. HELPFULNESS OF MFIP

	Percent responding "yes"		
	Rural (N= 219)	Urban/ Suburban (N=176)	Total (N=395)
Has MFIP helped you in any way?	90%	91%	90%
Has MFIP caused any problems for you?	37%	38%	37%

28. HOW HAS MFIP HELPED YOU?

	Percent of respondents		
	Rural (N= 197)	Urban/ Suburban (N=160)	Total (N=357)
Increased income (helped pay bills in general)	32%	28%	31%
Got food or Food Stamps/ able to feed family	19%	26%	24%
Able to go to school/ finish education	15%	20%	17%
Got help finding a job	17%	16%	17%
Got Medical Assistance/ health insurance/ help with medical bills	12%	18%	16%
Got housing/ help paying rent	14%	15%	15%
Got help with child care (finding provider, paying for care, etc.)	9%	21%	15%

Note: Most frequent responses to open-ended question asked of those reporting that MFIP had helped them in some way.

About one third of all respondents (37%) reported that MFIP had caused problems for them. The bureaucratic complexities of the system (20%), loss of benefits (14%), and poor service from MFIP workers (12%) were most often cited as the problems associated with the program. The distribution of responses from rural and urban/suburban participants was similar, although rural participants were more likely to report a loss of benefits (19%, compared to 8%). Working respondents (26%) had more problems with program complexity and paperwork than did non-working respondents (11%), reflecting the increased paperwork requirements associated with being employed. Those who were not working were more likely to say that their MFIP worker was insensitive or rude (27%) and that they were "forced" to work or look for work (22%). This compares to 16 and 1 percent of working respondents, respectively.

29. WHAT KINDS OF PROBLEMS HAS MFIP CAUSED FOR YOU?

	Percent of respondents		
	Rural (N=81)	Urban/ Suburban (N=66)	Total (N=147)
Program is too complicated/ too much paperwork (too much "run around", bureaucratic "red tape", hassle, "going around in circles")	15%	27%	20%
Lost benefits/ reduced benefits/ got sanctioned	19%	8%	14%
Worker is insensitive/ rude	17%	24%	12%
Rules are unfair	9%	11%	10%
Forced to work/ forced to look for work despite reasons not to	11%	6%	9%
Worker lacks knowledge or skills	7%	8%	8%
Job search requirements too difficult	5%	12%	8%
Lack of education/ could not go to school or finish education	7%	8%	8%
Lack of child care/ can't get affordable, reliable, quality child care	4%	11%	7%
Social stigma	7%	6%	7%
Rules are confusing or unclear	7%	5%	6%

Note: Most frequent responses to open-ended question asked of those reporting MFIP had caused problems for them.

Barriers to self-sufficiency

MFIP recipients were asked, "Do you think you will be able to get off welfare within the time limits?" Almost half were confident that they would; 46 percent responded "definitely yes." Another 40 percent responded "probably yes," while only nine percent said probably or definitely "no." There were no significant differences between rural and urban/suburban respondents for this item.

Respondents were asked to identify any barriers they perceived that would make it difficult for them to get off or stay off welfare within the time limits. Overall, about one fourth of participants (26%) cited the lack of livable wage jobs as a barrier to self-sufficiency. Lack of education (20%), child care (18%), and health insurance (15%) were also cited by many respondents. Rural and urban/suburban participants did not vary much in reporting these barriers, although rural participants (12%) were more likely than urban/suburban participants (4%) to say that it was difficult to find a job, and urban/suburban participants (27%) reported more problems with child care than did rural participants (11%).

30. BARRIERS TO GETTING OFF AND STAYING OFF WELFARE

	Percent of respondents		
	Rural (N= 219)	Urban/ Suburban (N=176)	Total (N=395)
Low paying jobs/ cost of living compared to wages	27%	26%	26%
Lack of education/ couldn't go to school or finish degree/ lack of skills	18%	22%	20%
Lack of child care/ can't find affordable, reliable, quality child care	11%	27%	18%
Loss of health care coverage/ can't afford insurance	13%	18%	15%
Hard to find a job	12%	4%	9%
Disability (physical or mental)	9%	4%	7%
Lack of affordable housing/ housing problems	5%	7%	6%

Service use and unmet needs

Partnership services

In order to assess the use of and need for the types of resources provided by the McKnight-funded welfare-to-work partnerships, respondents were asked if they had received a wide variety of specific transportation, child care, job-related, and other support services within the past three months. For each type of service, those who had not received it were asked whether or not they needed such a service. The purpose of these interview questions was to identify which resources are being used by those making the transition from welfare to work and to document areas of unmet need.

Overall, the following types of services were most commonly used by rural respondents within the three months preceding the interview:

- Help paying for child care (31%)
- Help finding a job (24%)
- Help at work from a mentor or someone else who supports and encourages you (21%)
- Soft skills training (20%)

Among rural participants, those who were working at the time of the interview were significantly more likely to have received help paying for child care (40%, compared to 15% of non-workers; $p \leq .001$) and help from a mentor at work (29%, compared to 7%; $p \leq .001$). Longer-term welfare recipients (more than 3 years) were also more likely to report help from a mentor or other support person at work (28%, compared to 12% of shorter-term recipients; $p \leq .01$). Those still on MFIP were more likely to report help finding a job (34%, compared to 12% of non-MFIP participants; $p \leq .001$) and with soft skills training (29%, compared to 10%; $p \leq .001$). Participation in soft skills training within the past three months was also more common among non-working respondents (29%, compared to 15% of workers; $p \leq .01$) and rural residents (20%, compared to 11% of urban/suburban respondents; $p \leq .05$).

Help to obtain and maintain a car was the dominant need for rural respondents. Overall, the most common areas of unmet need for rural participants were:

- Help with car repairs (44%)
- An affordable car (free or low-cost) (37%)
- Help paying for child care (26%)
- Emergency money for living expenses (26%)
- Help getting a car loan (25%)
- Other car-related expenses (24%)
- Help getting car insurance or clearing your record (23%)

Within the rural sample, Native American participants reported significantly greater unmet needs for emergency funds (45%, compared to 24% non-Native Americans; $p \leq .05$), car-related expenses (48%, compared to 22%; $p \leq .01$), and help getting an affordable car (59%, compared to 35%; $p \leq .05$). MFIP participants also reported significantly greater needs for an affordable car (44%, compared to 30% non-MFIP participants; $p \leq .05$). Working respondents (33%) were significantly more likely than non-workers (19%) to say they needed help paying for child care ($p \leq .05$). Longer-term welfare recipients (30%) were more likely to say they needed help getting car insurance or clearing their driving record than were those who had been on welfare for three years or less (14%; $p \leq .01$).

When compared to rural respondents (25%), urban/suburban respondents (40%) needed more help with car loans ($p \leq .01$). Overall, rural participants expressed fewer unmet needs than did their urban/suburban counterparts. This difference was statistically significant for child care needs ($p \leq .01$) (see Table 29).

31. UNMET SERVICE NEEDS

	Percent of respondents who did not receive, but needed, at least one service per category		
	Rural	Urban/ Suburban	Total
Transportation	66%	71%	68%
Child care**	40%	55%	46%
Job placement, training, and retention services	30%	39%	34%
Other support services	52%	60%	55%

** difference between rural and urban/ suburban is significant, $p \leq .01$

Note: "Other support services" include counseling, mentoring, activities for children, help understanding MFIP rules, emergency funds, help finding housing, and referrals.

Among rural respondents, longer-term recipients (72%, compared to 59% of shorter-term recipients; $p < .05$) and Native Americans (87%, compared to 64% of non-Native Americans; $p < .05$) were significantly more likely to have unmet transportation needs. Native Americans (48%, compared to 27%; $p < .05$) and those still on MFIP (38%, compared to 20% of non-participants; $p < .01$) were also more likely to report unmet job-related needs.

Food Stamps and health coverage

Although Food Stamps and health insurance were not provided by McKnight-funded partnerships, respondents were also asked about their use of and need for these supports. Although the majority of respondents said they were receiving Food Stamps (67%) and Medical Assistance or other medical coverage (85%), these were still areas of significant unmet need. Of those who did not have these benefits, 53 percent said they needed health insurance and 38 percent said they needed Food Stamps. Rural and urban/suburban participants reported almost identical rates of Food Stamp use and insurance coverage. Of those who did not have these supports, urban/suburban respondents (47%) were significantly more likely than their rural counterparts (31%) to report that they needed Food Stamps ($p \leq .05$).

32. USE OF AND NEED FOR FOOD STAMPS AND HEALTH INSURANCE

	Percent responding "yes"		
	Rural	Urban/ Suburban	Total
Have you received Food Stamps in the past three months? (n=395)	67%	68%	67%
Have you needed Food Stamps in the past three months? (n=129)*	31%	47%	38%
Have you received Medical Assistance or had medical coverage in the past three months? (n=395)	86%	85%	85%
Have you needed Medical Assistance or had medical coverage in the past three months? (n=58)	52%	56%	53%

* difference between rural and urban/suburban is significant, $p \leq .05$.

Note: Medical Assistance refers to Minnesota's Medicaid program.

Discussion: the role of employers in welfare-to-work

In Minnesota, where the unemployment rate is extremely low on average, employers in all areas of the state appear to welcome help that will (1) bring qualified employees to their door, (2) support workers who encounter difficulty in entry level positions, and (3) coach workers toward long-term adjustment and stability.

For the most part, rural employers value the help of social service providers in coaching and mentoring their entry level workers. There are indications that rural employers in this study have needed and received less help in recruiting than urban and suburban employers, but more help in retaining employees on the job. In the words of one rural employer, "Follow up more on the placement with employees and also with employers about how it's working out."[9] For both rural and non-rural employers, the preparation of new workers for employment and on-going support following the initial hiring are the main benefits they see from affiliation with welfare reform service providers. One employer summarized the ideal situation this way "When someone doesn't show up, I can call Sue and she will follow up with the worker and tell them to get back to work." Nonetheless, a small number of both rural and non-rural employers say that they appreciate services provided by social service agencies to the employers

[9] Throughout this discussion section, all text within quotation marks are from employers' responses to the survey.

themselves, for example through training, communication to employers, and suggestions on how best to support the transportation and child care needs of their employees.

Employer involvement in the welfare-to-work partnerships resulted in little direct employer help to new workers. Employers continued to report that their role in welfare reform is to offer jobs, salary, and (sometimes) benefits, as well as "to tell (or dictate to) the welfare department what we're looking for, so they can provide people who already have the training they need for the job." If employers are going to change their practices, it is most likely that the change is to "have a greater understanding of employee issues, or to have a more open mind about the employees we are willing to hire." Most employers do not feel they are responsible for helping employees deal with child care, transportation, or housing. Those that do are the exception rather than the rule. Most survey respondents who indicated this sort of willingness seem to realize they are the rarity, and some indicate that they may need to persuade others, even in their own company: "Employers have to be more accommodating, more flexible, more creative – offering child care, flexible hours, etc."

Employers are most likely to remain involved in welfare-to-work activities when they see clear benefits through the recruitment, hiring, and retention of new employees, and when they find that social service agencies are clearly prepared to provide consistent backup support to help new workers sort out problems and find long term solutions to avoid on-going crises. They want to be treated as a customer with needs to be filled, not as a way of filling someone else's needs; they appreciate that some partnerships are "starting to listen more to our needs and concerns." Other than recruitment, areas in which employers have clearly benefited include workplace mentoring of new employees, resolution of work behavior issues, and support for solving child care, transportation, and (occasionally) housing problems. Some employers want agencies "to work with new employees, to help them with adjustments. ... Examples of concrete help and guidance [include] a list of day care centers, sick child centers, bus times and routes."

The wide variety of services offered by partnerships, and the equally wide variety of reactions from employers, point to the need for flexible and individualized approaches to meeting employers' needs as well as those of recipients. In fact, it may be useful for social service providers to think of employers similarly to the way they think of recipients. Like recipients, some employers have it easier than others; each one is dealing with a unique set of circumstances, while governed by fairly uniform rules and expectations; they operate in a climate of scarcity and under significant stress, with little room for reflection or experimentation or frills.

Perceived barriers to the transition from welfare to work

As we have seen, employers placed major emphasis on welfare recipients' lack of soft skills as the main barrier to employment. The remaining attention was divided mainly between transportation, child care, and motivation. Most employers in this study entirely overlooked two other sets of barriers that are of significant concern to the partnerships.

One set of barriers mentioned repeatedly by participants and partnerships, but only very rarely by employers, consists of the economic issues arising out of the imbalance between the low wages available for low-skill jobs and the high costs of housing, child care, transportation, and medical insurance. One urban/suburban employer recognized the difficulty, which from their point of view appears as a problem with retention: "Can they make it on the wages they are paid? [They have] new costs for clothing, day care, transportation. Expenses are extra and unforeseen." For most employers, however, the assumption is that if people work (or work hard), they do not need any welfare. By contrast, recipients expressed major worries about the most basic family support issues: paying for food, housing, medical insurance, and other unavoidable bills. One-quarter of all respondents worried about finding a job that pays enough to allow them to get by. One-eighth of rural recipients worried about finding any job at all.

The other set of barriers of growing concern to partnerships, but rarely mentioned by either employers or participants, is the array of issues faced by welfare recipients with multiple problems or more serious problems. These include depression, learning disabilities, substance abuse, domestic violence, homelessness, or children with disabilities. The new welfare laws require most such recipients to work, but most employers are not yet ready to think about accommodating such needs in their workplaces: "I'll be honest, some just don't fit into the employment realm ... (such as, severe depression). Be careful of placement of some individuals. Not everyone is made to work 8-to-5. How to help [them] is the next goal."

On the positive side, the survey suggests that employers' successful experiences with the first phase of welfare-to-work could help to lay the ground for the next steps that will be necessary. Some employers are currently taking what they perceive to be risks by hiring the more job-ready recipients, and investing enough effort to help them adjust to the workplace, with the help of support services from the social service providers. Most employers are not prepared to do more than two things – "give people without a job history an opportunity to build one and develop soft skills. Also we can be a resource for them in getting plugged into other services." If employers find this experiment successful, they may be willing to try taking slightly greater risks with slightly more challenging employees, provided they are assured of still more support.

However, this study also suggests that most employers will not take even small risks unless forced to by a labor market that leaves them with no other options. "Many employers are changing in terms of expectations and are willing to offer support," said one respondent. " This is due to the shortage of employees." If the economy takes a downturn before people with more serious barriers have been absorbed, it may be difficult indeed to persuade an employer to hire an employee who requires substantially more accommodation than they have experience with. This is already true in regions with higher unemployment rates. To accomplish such a change in practices, employees may need supported work models, similar to community rehabilitation programs that serve adults with disabilities.

Lower-paying jobs are the rule in rural areas, and the cost of living is not comparatively low enough to enable most single parents with limited education, or even two-parent families with more than a few children, to earn the amount needed for self-sufficiency. With half the employers surveyed, even a full five years of successful work experience would not yield an entry-level worker in a family of four enough earnings to exit welfare in Minnesota. This study does not suggest any solutions for these barriers. Almost no employer feels they can increase their pay to help welfare recipients.

Suggestions for supporting the welfare to work transition

In the series of questions on how they were helped by the partnerships, employers cited mainly help to employers for recruitment, and help to workers for training, retention, and work/life balance. This pattern appears to reflect a traditional view of the roles of employers and workers, in which employers expect to bear the responsibility of finding suitable employees, but they expect workers, once hired, to bear the responsibility of maintaining or developing the needed skills and work/life accommodations to hold on to the job. The few employers who mention the value of services to themselves in training, retention, or work/life balance may reflect the beginning of change in these assumptions, possibly as a result of changing labor force dynamics. Or they may represent a subset of employers with a high sense of civic and social responsibility who have been there all along, and who would naturally be among the first to respond to the call to participate in the McKnight partnerships. Until more employers are prepared to accept some role in assisting their employees with difficulties in training, retention, and family issues, it is unlikely that more than the "first third" of welfare recipients will be able to make a lasting transition into

the work force. Employment support services from public and non-profit agencies could make a significant difference in persuading employers to begin to accept this role.

Information from participants and partnerships yields a different perspective on the "lack of soft skills" than one might get from reviewing only the employers' comments, and therefore suggests a different remedy for the problem. What many employers perceive as lack of soft skills or undependability appears to be caused by problems with unavailable or unreliable child care or transportation. In other words, when an employee's child care arrangement falls through, causing the employee to miss work, the employee views this as a child care problem, but the employer is likely to see it as a soft skills problem. In addition, some participants reported that they were obliged by their welfare case workers to take time off from work to come in to the welfare office to prove they were working, or to take care of other required paperwork. Employers seem to have no idea their employees have such demands on them.

Employers' suggestions for solutions to soft skills deficits emphasized that partnerships "could make sure the workers understand what's expected of them and teach them proper work expectations." In the participant survey, around one-fifth of respondents reported receiving such soft skills training, and most rated it somewhere between "somewhat useful" and "very useful." This rating, while clearly positive, was somewhat lower than the average rating for more tangible services such as help paying for child care or help getting a low-cost car loan.

One can conclude that soft skills training is helpful for many recipients, but that it does not solve many of the underlying problems. Some partnerships have worked to educate employers about the shortages in child care, or have asked them to help develop solutions for transportation barriers. A few employers have become deeply involved in such problem-solving, and the survey suggests that a few more have increased their awareness of the underlying difficulties their employees are dealing with. Most employers, however, are only interested in efforts that affect the actual on-the-job performance of their workers. They are more interested in learning about community resources that can assist their employees with their child care or transportation problems. For many employers, one benefit of working with a partnership is having "more connections to community resources to offer employees in need." Getting to the job, and ensuring that one's family responsibilities are taken care of while one is at work, are still perceived as being the employee's problems. If anyone shares the responsibility for solving them, it is more likely to be the social service agencies in the community, not the employers. As one urban/suburban employer said, the employer's role is "Not much. It should be their responsibility—the program [partnership] and the employee. We just train them for the job."

From the employer's perspective, the best support for the welfare-to-work transition is to make sure people are working, and to provide them with on-going help to deal with any problems that arise that might interfere with their work. Employers mostly want such support to be provided directly to the worker, but some employers who have taken more responsibility for their workers' adjustment welcome services to the employers themselves, to help them help their workers. Mentorship programs, including training supervisors to be job coaches, seems an especially promising approach for employers willing to undertake something new themselves. One employer said the mentoring workshop they had attended "provided knowledge how to bring out the best in others, and how to treat each other using a feedback system." Another employer described a program in which "supervisors are trained [by the partnership] to deal with employees with lesser skills and lack of work routine."

Smaller employers, under-represented in this sample but predominant in the statewide population of employers, pose special challenges to social service providers who hope to assist rural welfare recipients towards self-sufficiency. This study found smaller employers have a lower proportion of jobs accessible to workers with a limited education, are likely to pay lower wages and offer smaller raises, and are less likely to provide medical benefits. There is some evidence that they may be harder to persuade to partner

with social service providers, because they have lower expectations of receiving any benefit from such a partnership. On the positive side, while small businesses are less likely to feel that they can provide any additional supports to their workers, they do appear more likely to be "innovative, flexible, and make changes when they make sense, [such as] restructuring work and hours of work."

How to engage employers in welfare reform

This study suggests that employer involvement with government and social service agencies to promote the goals of welfare reform is likely to be more solid and successful if:

- Public agencies, nonprofit agencies, and employers all agree on clear and consistent goals for their work together.
- Employers can count on the welfare service providers to deliver in one or more tangible and agreed-upon areas of support.
- There is reasonable emphasis placed on the needs of the employer and genuine attempts are made to understand employer expectations.
- There is education for employers regarding what can realistically be expected from some welfare participants, and the time it might take to help them become good employees.

Reports from community partnerships bear out employers' responses regarding the welfare-to-work transition: Employers can be involved, especially if one is careful about good, clear, honest, on-going communication. What makes employers interested in being involved is fairly consistent, and not very mysterious. Social service providers who ask and listen, and make consistent efforts to follow through with the needed supports, can become valued allies.

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